

30

OBER, KALER, GRIMES & SHRIVER

ATTORNEYS AT LAW

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PAUL DANIEL
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LAWRENCE D HOLLMAN
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FREDERICK S HIRD JR
WILLIAM F BLUE
GEORGE T TYLER
WILLIAM L BALFOUR
WILLIAM A SNYDER JR
RICHARD R JACKSON JR
GEORGE J KOELZER
ROBERT COURTNEY MANGONE
DONALD C GREENMAN
JERALD J OPPEL
PAUL M VINCENT
JOHN H WEST III
ROBERT V BARTON JR
ALAN J MOGOL
LEONARD C HOMER
JOHN ANTHONY WOLF
JEFFREY J RADOWICH
JOHN C BALDWIN
WARREN B DALY JR
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S CRAIG HOLDEN
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JAMES L KALER
J PAUL BRIGHT JR
RANDALL C COLEMAN
CARLYLE C RING JR
FRANK H WELLS JR
FRANK B OBER
(1889 1981)
WILLIAM A GRIMES
(1904 1977)
J NICHOLAS SHRIVER JR
(1912 1977)
SHARWOOD B SMITH JR
(1936 1989)
* NOT ADMITTED IN D C

710 RING BUILDING

1200 EIGHTEENTH STREET N W

WASHINGTON, D C 20036

(202) 331-9100

RECORDATION NO 16691 FILED 1425

TELECOPIER (202) 331 9116

CABLE OKGS DC
TELEX 897114

DEC 28 1989 - 3 15 PM

INTERSTATE COMMERCE COMMISSION

OFFICES IN
MARYLAND
NEW YORK
NEW JERSEY

9-362A068

December 28, 1989

HAND-DELIVERED

Ms. Mildred Lee
Secretary
Interstate Commerce Commission
12th and Constitution Avenue
Washington, D.C. 20423

RECORDATION NO 16691 FILED 1425

DEC 28 1989 - 3 15 PM

INTERSTATE COMMERCE COMMISSION

Dear Ms. Lee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) originally executed copies of the Equipment Lease Agreement (including Rider No. 1 thereto, the "Lease") and the Equipment Schedule No. 1 (the "Equipment Schedule"), both dated as of December 27, 1989, between MNC Leasing, a division of MNC Credit Corp. and Ansco Investment Company. The Lease is a "primary document" and the Equipment Schedule is a "secondary document", as such terms are defined in the Commission's Rules for the Recordation of Documents.

The names and address of the parties to the enclosed Lease are:

Lessor: MNC Leasing, a division of MNC Credit Corp.
Nottingham Centre
502 Washington Avenue
Towson, Maryland 21204

Lessee: Ansco Investment Company
2400 Anaconda Tower
555 Seventeenth Street
Denver, Colorado 80202

OBER, KALER, GRIMES & SHRIVER

Ms. Mildred Lee
December 28, 1989
Page 2

A description of the railroad equipment covered by the Lease is set forth in Schedule 1 attached hereto and made a part hereof.

Also enclosed are our checks in the amount of \$15.00 each, payable to the order of the Interstate Commerce Commission, covering the required recordation fee.

Kindly return a file-stamped copy of the enclosed document to:

Edward K. Gross, Esquire
Ober, Kaler, Grimes & Shriver
1600 Maryland National Bank Building
10 Light Street
Baltimore, Maryland 21202

A short summary of the enclosed Lease and Equipment Schedule to appear in the Commission's index is:

"Equipment Lease Agreement and Equipment Schedule, both dated as of December 27, 1989, between MNC Leasing, a division of MNC Credit Corp., Lessor, and Ansco Investment Company, Lessee, covering twenty-five (25) Passenger Rail Cars."

Sincerely,

Edward Gross (by DMM)

Edward K. Gross

Enclosures

SCHEDULE OF EQUIPMENT

Lessee: ANSCO INVESTMENT COMPANY

Approved by _____
(Lessee to initial each page)

Page No. 1 of 2 total pages

Attached to Bill of Sale dated _____, 19____

Equipment located at: Denver, Denver, Colorado

and/or
Equipment Schedule No. 1

30 Rail Passenger Cars listed below together with all furniture, fixtures and equipment included therein as more fully described in the November, 1989 appraisal prepared by Passenger Transportation Specialists:

<u>Car Name</u>	<u>Car No.</u>	<u>Type</u>	<u>Cost</u>
California	800078	Dome Sleeper 8 Bedrooms	\$1,018,211.92
Amtrak	9212	Dome Sleeper 4 Bedrooms 4 Duplex Single Rooms 4 Roomettes	\$ 99,337.75
Amtrak	9225	Dome Sleeper 4 Bedrooms 4 Duplex Single Rooms 4 Roomettes	\$ 99,337.75
Silver Bronco	1105	Dome Coach	\$ 84,437.09
Silver Hostel	WP #832	Dome Lounge/	\$ 49,668.87
Colorado	800057	2 Bedrooms Buffet Lounge Observation (round end) 4 Passenger 1 Crew	\$ 447,019.87
Kansas	800165	3 Bedrooms Dining/Lounge Observation (open platform) 6-7 Passenger 2 Crew	\$ 298,013.25
Utah	800318	Diner Lounge Kitchen	\$ 943,708.61
D&RWG	1116	48 Seat Diner	\$ 124,172.19
D&RWG	1230	Baggage/Coach Combine	\$ 24,834.44
D&RWG	1231	Baggage/Coach Combine	\$ 24,834.44
D&RWG	003	Baggage Car	\$ 9,933.77

SCHEDULE OF EQUIPMENT

Lessee: ANSCO INVESTMENT COMPANY

Approved by _____
(Lessee to initial each page)

Page No. 2 of 2 total pages

Attached to Bill of Sale dated _____, 19____

Equipment located at: Denver, Denver, Colorado

and/or
Equipment Schedule No. 1

<u>Car Name</u>	<u>Car No.</u>	<u>Type</u>	<u>Cost</u>
Moffat Tunnel	253	Power Car	\$ 422,185.43
VIA Rail	340	Cafe/Lounge	\$ 74,503.31
VIA Rail	343	Cafe/Lounge	\$ 74,503.31
VIA Rail	344	Cafe/Lounge	\$ 74,503.31
North Park	800420	Cafe/Lounge	\$ 198,675.50
Winter Park	800421	Cafe/Lounge	\$ 198,675.50
Colorado Springs	800425	Parlor/Club	\$ 139,072.85
Glenwood Springs	800426	Parlor/Club	\$ 149,006.62
Idaho Springs	800427	Parlor/Club	\$ 149,006.62
La Plata Peak	800430	Snack Bar/Coach	\$ 139,072.85
Pikes Peak	800431	Snack Bar/Coach	\$ 149,006.62
Pyramid Peak	800432	Snack Bar/Coach	\$ 149,006.62
Shavano Peak	800433	Snack Bar/Coach	\$ 149,006.62
Mt. Bierstadt	800440	Coach	\$ 124,172.18
Mt. Elbert	800441	Coach	\$ 139,072.85
Mt. Evans	800442	Coach	\$ 149,006.62
Mt. Massive	800443	Coach	\$ 149,006.62
Mt. Princeton	800444	Coach	\$ 149,006.62

TOTAL INVOICE COST \$6,000,000.00
=====

December 27, 1989

Ms. Debbie Mulligan
Ober, Kaler, Grimes & Shriver
710 Ring Building
1200 18th Street, N.W.
Washington, D.C. 20036

RE: PROPOSED TRANSACTION BETWEEN ANSCO INVESTMENT COMPANY AND MNC LEASING, A
DIVISION OF MNC CREDIT CORP

Dear Ms. Mulligan:

Ansko Investment Company hereby authorizes you to change all dates in the lease documentation executed between Ansko Investment Company and MNC Leasing to correspond with the date of the ICC filing. Additionally, you are hereby authorized to change the Base Lease Commencement date from January 1, 1989 to January 1, 1990 as referenced in Equipment Schedule No. 1.

ANSCO INVESTMENT COMPANY

By: 



December 27, 1989

Ms. Debbie Mulligan
Ober, Kaler, Grimes & Shriver
710 Ring Building
1200 18th Street, N.W.
Washington, D.C. 20036

RE: PROPOSED TRANSACTION BETWEEN ANSCO INVESTMENT COMPANY AND MNC LEASING, A
DIVISION OF MNC CREDIT CORP

Dear Ms. Mulligan:

MNC Leasing, a division of MNC Credit Corp hereby authorizes you to change all dates in the lease documentation executed between MNC Leasing and Anasco Investment Company to correspond with the date of the ICC filing. Additionally, you are hereby authorized to change the Base Lease Commencement date from January 1, 1989 to January 1, 1990 as referenced in Equipment Schedule No. 1.

MNC LEASING, A DIVISION OF
MNC CREDIT CORP

By: 

Constance W. Lancaster
Assistant Vice President

Interstate Commerce Commission
Washington, D.C. 20423

12/28/89

OFFICE OF THE SECRETARY

Edward K. Gross
Ober, Kaler Grimes & Shriver
1200 18th St N.W.
Washington, D.C. 20036

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/28/89 at 3:15pm and assigned recordation number(s). 16691 & 16691-A

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

COPY

16691

RECORDATION NO. _____ FILED 1425

DEC 28 1989 -3 15 PM

INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASE AGREEMENT

Dated as of December 28, 1989

between

MNC LEASING, A DIVISION OF MNC CREDIT CORP,
as Lessor

and

ANSCO INVESTMENT COMPANY,
as Lessee

Covering 30 Passenger Rail Cars

FILED WITH THE INTERSTATE COMMERCE COMMISSION
PURSUANT TO 49 U.S.C. §11303
ON DECEMBER ___, 1989 AT _____.M.
RECORDATION NUMBER _____

EQUIPMENT LEASE AGREEMENT

THIS EQUIPMENT LEASE AGREEMENT is made as of the ^{5mm}28th day of December, 1989, by and between MNC LEASING, A DIVISION OF MNC CREDIT CORP ("Lessor") and ANSCO INVESTMENT COMPANY ("Lessee").

The parties agree that Lessee shall lease from Lessor, the property, together with all components, parts, additions, accessions and attachments incorporated therein (collectively referred to as the "Equipment") described in the Equipment Schedule(s) to be executed pursuant hereto (collectively referred to as the "Equipment Schedule"), subject to the terms and conditions set forth in the Equipment Schedule and also set forth herein.

This Lease is made upon the following terms and conditions:

1. **TERM.** The term of this Lease with respect to any item of the Equipment shall consist of the term set forth in the Equipment Schedule relating thereto; provided, however, that this Lease shall be effective from and after the date of execution hereof.

2. **RENT.** Lessee shall pay Lessor rent for the Equipment, without any deduction or setoff and without prior notice or demand, the aggregate amounts specified in the Equipment Schedule relating thereto. This Lease is a net lease, and Lessee shall not be entitled to any abatement or reduction of payments due hereunder for any reason. Lessee hereby waives any and all existing or future claims to any offset against the rent payments due hereunder, and agrees to make the rent payments regardless of any offset or claim which may be asserted by Lessee.

Rent is payable as and when specified in the Equipment Schedule by mailing the same to Lessor at its specified address or, at Lessor's sole option upon written notice thereof to Lessee, by wire transfer of immediately available funds to Lessor's account number 5012869 at Maryland National Bank, Baltimore, Maryland; and shall be effective upon receipt. Payments may be applied by Lessor at any time against any obligation due and owing by Lessee under this Lease (in Lessor's sole discretion) notwithstanding any statement appearing on or referred to in any remittance from Lessee. If proceedings under Federal bankruptcy laws or state insolvency laws are instituted by or against Lessee within ninety (90) days after receipt of a payment, the payment shall be deemed applicable to the unpaid obligation then due hereunder in inverse order of maturity.

Time is of the essence. If any payment due hereunder is not paid on the due date, Lessor may collect, and Lessee agrees to pay, a charge calculated as the product of the late charge rate specified in the Equipment Schedule (the "Late Charge Rate") and

the amount in arrears for the period such amount remains unpaid (or such lesser amount as may be permitted by law).

3. LESSEE'S REPRESENTATIONS AND WARRANTIES. Lessee represents and warrants that as of the date of each Equipment Schedule entered into pursuant hereto:

(a) Lessee is a corporation duly organized and validly existing in good standing under the laws of the state of its incorporation, and is duly qualified and authorized to do business as a foreign corporation in good standing in each state in which the Equipment is to be located or, if not so qualified or authorized, the failure to be so qualified or authorized will not materially or adversely affect its ability to carry on its present business and operations and to own or lease its properties and perform its obligations hereunder.

(b) The sale of those certain items of equipment specified on the schedule attached to each Equipment Bill of Sale and Assignment (collectively the "Bill of Sale") executed by Lessee, and the execution, delivery and performance of this Lease, the Equipment Schedule, the Bill of Sale, and all related instruments and documents, (i) have been duly authorized by all necessary corporate action on the part of Lessee; (ii) do not require the consent of any stockholder, trustee or holders of any indebtedness of Lessee except such as have been duly obtained; and (iii) do not and will not contravene any law, governmental rule, regulation or order now binding on Lessee (including, but not limited to, any law, rule or regulation pertaining to bulk sales or sale and leaseback transactions), or the charter or by-laws of Lessee, or contravene the provisions of, or constitute a default under, or result in the creation of any lien or encumbrance upon the property of Lessee under, any indenture, mortgage, contract or other agreement to which Lessee is a party or by which it or its property is bound.

(c) Neither the execution and delivery by Lessee of this Lease and all related instruments and documents, nor the consummation of any of the transactions by Lessee contemplated hereby or thereby, requires the consent or approval of, the giving of notice to, the registration with, or the taking of any other action in respect of, any Federal, state or foreign governmental authority or agency, except as provided herein.

(d) This Lease and all related instruments and documents, when entered into, will constitute legal, valid and binding obligations of Lessee enforceable against Lessee in accordance with the terms thereof; except where legality, validity and enforceability may be limited or affected by bankruptcy, insolvency, moratorium, reorganization or other statutes or rules of law affecting creditors' rights generally and by general

principles of equity, and the Bill of Sale transfers to Lessor valid title to the equipment described on the schedule attached thereto free and clear of any and all encumbrances, liens, charges or defects. No filing or recordation must be made, no notice must be given, and no other action must be taken with respect to any Federal regulation or other law, or with respect to any state or local jurisdiction, or any person, in order to preserve to Lessor all the rights transferred by the Bill of Sale, except for any filing, recordation, notice or other action already made, given or taken, as the case may be.

(e) There are no pending actions or proceedings to which Lessee is a party, and there are no other pending or threatened actions or proceedings of which Lessee has knowledge, before any court, arbitrator or administrative agency, and there are no final judgments of record against Lessee of which Lessee has knowledge, which, either individually or in the aggregate, would materially adversely affect the financial condition of Lessee, or the ability of Lessee to perform its obligations hereunder. Further, Lessee is not in default under any material obligation for the payment of borrowed money, for the deferred purchase price of property or for the payment of any rent which, either individually or in the aggregate, would have the same such effect.

(f) The financial statements of Lessee (copies of which have been furnished to Lessor) have been prepared in accordance with generally accepted accounting principles consistently applied ("GAAP"), and fairly present Lessee's financial condition and the results of its operations as of the date of and for the period covered by such statements, and since the date of such statements there has been no material adverse change in such conditions or operations.

(g) The address stated below the signature of Lessee is the chief place of business and chief executive office of Lessee; and Lessee does not conduct business under a trade, assumed or fictitious name, except as may be specified on Annex I hereto, as such Annex I may be amended from time to time.

4. COVENANTS OF LESSEE. Lessee covenants and agrees as follows:

(a) Lessee will furnish Lessor (i) within ninety (90) days after the end of each quarter of Lessee's fiscal year, a balance sheet of Lessee as at the end of such quarter, and the related earnings statement, prepared in accordance with GAAP, except for year-end adjustments, certified by the Chief Financial Officer or other appropriate financial officer of the Lessee, as fairly presenting the Lessee's financial condition and operations as of the date thereof; and (ii) within thirty (30) days after the date on which they are filed, all regular periodic reports, forms

and other filings required to be made by Lessee to the Securities and Exchange Commission, if any.

(b) On or prior to the effective date hereof, Lessee will (i) cause this Lease and the Equipment Schedule dated as of the date hereof, to be duly filed and recorded with the Interstate Commerce Commission (the "ICC") in accordance with 49 U.S.C. Section 11303, and (ii) cause Uniform Commercial Code financing statements naming Lessee as lessee and Lessor as lessor, to be filed in such public offices as are necessary or appropriate to establish, protect or perfect, as the case may be, the right, title and interest of Lessor in the Equipment.

(c) On or prior to the execution date of any other Equipment Schedule, Lessee will (i) cause the Equipment Schedule dated such date to be duly filed and recorded with the ICC in accordance with 49 U.S.C. Section 11303, and (ii) file, register or record such Equipment Schedule, and all financing and continuation statements and similar statements, in such other places within the United States as Lessor may reasonably request, and will furnish Lessor proof thereof.

(d) Lessee promptly will execute and deliver to Lessor such further documents, instruments and assurances and take such further action as Lessor from time to time reasonably requests to carry out the intent and purpose of this Lease and to establish and protect the rights and remedies intended to be created in favor of Lessor hereunder.

(e) Without limiting the generality of the foregoing, Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, re-register or re-record whenever required) any and all amendments or supplements to this Lease, any financing statements or similar instruments, and any and all further instruments required by law or reasonably requested by Lessor for the purpose of protecting Lessor's title to the Equipment.

(f) Lessee will pay all costs, charges and expenses (including reasonable attorneys' fees) incident to any such filing, refiling, recording and re-recording or depositing and re-depositing of any such instruments or incident to the taking of such action.

(g) Lessee shall provide written notice to Lessor of the commencement of proceedings under the Federal bankruptcy laws or other insolvency laws (as now or hereafter in effect) involving Lessee as a debtor.

(h) If Lessee deems it appropriate after considering all of the facts, Lessee will file an application with the Colorado Public Utilities Commission for a Certificate of Authority to

operate the ski train as a common carrier; provided, however, nothing in this Lease is intended to permit Lessee to, and Lessee shall not in any event, operate, use, sublease or maintain the Equipment in any manner that might have the effect of subjecting the Equipment to any substantial risk of loss, forfeiture, seizure, confiscation, condemnation, criminal sanction or any material fines or other material monetary penalties.

5. **AUTHORIZATION AND CERTIFICATION.** Lessor's obligations hereunder are conditioned upon Lessor having received the following, in form and substance satisfactory to Lessor:

(a) Certificate of the Secretary or an Assistant Secretary of Lessee certifying: (1) resolutions of the Board of Directors or validly authorized Executive Committee of Lessee duly authorizing the sale and leasing of the Equipment hereunder and the execution, delivery and performance of this Lease, the Equipment Schedule, the Bill of Sale, and all related instruments and documents; and (2) the incumbency and signature of the officers of Lessee authorized to execute such documents.

(b) Evidence as to due compliance with the insurance provisions hereof.

(c) Uniform Commercial Code financing statements as required by Lessor.

(d) An opinion of counsel for Lessee as to each of the matters set forth in sub-parts (a) through (e) of Section 3 hereof.

(e) The Bill of Sale duly executed on behalf of Lessee.

(f) Certificate of the Secretary or Assistant Secretary of The Anschutz Corporation ("Guarantor") certifying: (1) resolutions of the Board of Directors or duly authorized Executive Committee of Guarantor duly authorizing the undertaking to guarantee the performance of the obligations of Lessee hereunder; and (2) the incumbency and signature of the officers of Guarantor authorized to execute the Equipment Lease Guaranty (the "Guaranty").

(g) An opinion of counsel for Guarantor satisfactory to Lessor as to each of the matters set forth in sub-parts (a) (1) and (2) or (b) (1), as applicable, and (c) and (d) of Section 4 of the Guaranty and as to such other matters as Lessor reasonably may request.

(h) The Guaranty, duly executed on behalf of Guarantor.

6. ACCEPTANCE BY LESSEE. Lessee shall execute and deliver to Lessor an Equipment Schedule containing a complete description of the Equipment; whereupon, as between Lessor and Lessee, the same shall be deemed to have been finally accepted by Lessee pursuant to this Lease and said Equipment Schedule.

7. IDENTIFICATION OF EQUIPMENT. Lessee will cause each principal item of the Equipment to be continually marked, in a plain, distinct and conspicuous manner, by a plate or stencil printed upon each side of the Equipment in letters not less than one (1") inch in height, by stating substantially as follows: "SUBJECT TO AN EQUIPMENT LEASE AGREEMENT RECORDED WITH THE INTERSTATE COMMERCE COMMISSION.", or other appropriate words designated by Lessor on labels furnished by Lessor. Lessee will not place any item of the Equipment in operation or exercise any control or dominion over the same until such and words shall have been so marked thereon and will replace promptly any such words which may be removed, defaced or destroyed. Lessee will not allow the name of any person or entity other than that of Lessor to be placed on any item of the Equipment in a manner which might be interpreted as a claim of ownership (provided that Lessee may place its name or logo on the Equipment).

8. USE AND MAINTENANCE. Lessee shall use the Equipment solely in the conduct of its business and in a careful and proper manner consistent with the requirements of all applicable insurance policies; and shall not discontinue use of the Equipment (as contemplated herein) during the term of this Lease. Lessee will not change the principal location of any Equipment as specified in the Equipment Schedule without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessee shall not attach or incorporate the Equipment to or in any other item of equipment in such a manner that the Equipment becomes or may be deemed to have become an accession to or a part of such other item of equipment.

At its own expense, Lessee will cause the Equipment to be kept and maintained (i) as recommended by the manufacturer and in as good operating condition as when delivered to Lessee hereunder, ordinary wear and tear resulting from proper use alone excepted, and will provide all maintenance and service and make all repairs or replacements reasonably necessary for such purpose, (ii) in accordance with prudent Railroad industry maintenance practices consistent with the Class characterization of the Railroad which such Equipment is then being operated in connection with, (iii) in a manner consistent with maintenance practices used by Lessee in respect of equipment owned or leased by Lessee similar in nature to the Equipment, and (iv) in compliance, in all material respects, with all applicable rules and regulations, including any applicable Interchange Rules (as hereinafter defined); provided, that Lessee

shall comply in all respects with all applicable laws and regulations, including any applicable Interchange Rules where non-compliance gives rise to fines, liens or criminal sanctions or impairs the function, value or utility of any Equipment or where such laws or regulations are related to safety matters.

If any parts or accessories forming part of the Equipment become worn out, lost, destroyed, damaged beyond repair or otherwise permanently rendered unfit for use, Lessee, at its own expense, will within a reasonable time cause such parts or accessories to be replaced by replacement parts or accessories which are free and clear of all liens, encumbrances or rights of others and have a value and utility at least equal to the parts or accessories replaced. All equipment, accessories, parts and replacements for or which are added to or become attached to the Equipment which are essential to the operation of the Equipment or which cannot be detached from the Equipment without materially interfering with the operation of the Equipment or adversely affecting the value and utility which the Equipment would have had without the addition thereof, shall immediately become the property of Lessor, and shall be deemed incorporated in the Equipment and subject to the terms of this Lease as if originally leased hereunder. Except for refurbishments and remodeling, (which actions the Lessee agrees shall not have the effect of diminishing the value or utility of the Equipment, nor causing any adverse tax consequences to Lessor), Lessee shall not make any material alterations to the Equipment without the prior written consent of Lessor, which consent shall not be unreasonably withheld.

Lessee agrees to comply with all governmental laws, regulations, requirements and rules (including, without limitation, the applicable rules, if any, of the Federal Railroad Administration, the Interstate Commerce Commission and the Interchange Rules or supplements thereto of the Mechanical Division, Association of American Railroads, as the same may be in effect from time to time) (the "Interchange Rules") with respect to the use, operation and maintenance of the Equipment. In case any equipment or appliance is required to be altered, added, replaced or modified on any Equipment in order to comply with such laws, regulations, requirements and rules, Lessee agrees to make such alterations, additions, replacements and/or modifications at its own expense.

Upon reasonable advance notice, Lessor shall have the right to inspect the Equipment and all maintenance records with respect thereto, if any, at any reasonable time during normal business hours.

9. **DISCLAIMER OF WARRANTIES.** LESSOR, NOT BEING A SELLER (AS SUCH TERM IS DEFINED IN THE UNIFORM COMMERCIAL CODE AS ENACTED IN THE STATE OF MARYLAND), NOR A SELLER'S AGENT, EXPRESSLY

DISCLAIMS AND MAKES TO LESSEE NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO: THE FITNESS FOR USE, DESIGN OR CONDITION OF THE EQUIPMENT; THE QUALITY OR CAPACITY OF THE EQUIPMENT; THE WORKMANSHIP IN THE EQUIPMENT; THAT THE EQUIPMENT WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; AND ANY GUARANTY OR WARRANTY AGAINST PATENT INFRINGEMENT OR LATENT DEFECTS, it being agreed that all such risks, as between Lessor and Lessee, are to be borne by Lessee. Lessor is not responsible or liable for any direct, indirect, incidental or consequential damage to or losses resulting from the installation, operation or use of the Equipment or any products manufactured thereby. All assignable warranties made by the manufacturer or supplier to Lessor are hereby assigned to Lessee for and during the term of this Lease and Lessee agrees to resolve all such claims directly with the manufacturer or supplier. Provided that Lessee is not then in Default (as hereinafter defined) hereunder, Lessor shall cooperate fully with Lessee with respect to the resolution of such claims, in good faith and by appropriate proceedings at Lessee's expense. Any such claim shall not affect in any manner the unconditional obligation of Lessee to make rent payments hereunder.

10. FEES AND TAXES.

(a) To the extent permitted by law, Lessee shall file any necessary report and return for, shall pay promptly when due, shall otherwise be liable to reimburse Lessor on an after-tax basis) for, and agrees to indemnify and hold Lessor harmless from: (i) all titling, recordation, documentary stamp and other fees; (ii) taxes (other than taxes calculated solely on the basis of net income), including but not limited to sales, use and personal property taxes; and; (iii) assessments and all other charges or withholdings of any nature (together with any penalties, fines or interest thereon); arising at any time upon or relating to the Equipment or this Lease or with respect to the acquisition, ownership, use, operation, leasing, delivery, return or other disposition of the Equipment, or upon the rentals payable hereunder, whether the same be assessed to Lessor or Lessee.

(b) If any report or return for, or property listing in connection with, or any, fee, tax or assessment described in subpart (a) hereof (Imposition") is, by law, required to be filed by, assessed or billed to, or paid by, Lessor, Lessee at its own expense will do any and all things required to be done by Lessor (to the extent permitted by law) in connection therewith and is hereby authorized by Lessor to act on behalf of Lessor in any and all respects, including (but not limited to), after obtaining the prior written consent of Lessor (which shall not be unreasonably withheld), the contest or protest, in good faith and by appropriate proceedings, of the validity of any Imposition or the amount thereof. Lessor agrees fully to cooperate with Lessee in any such

contest, and Lessee agrees promptly to indemnify Lessor for all reasonable expenses incurred by Lessor in the course of such cooperation. A claim for an Imposition shall be paid, subject to refund proceedings, if failure to pay would adversely affect the title or rights of Lessor hereunder. Provided that Lessee is not then in Default, if Lessor shall obtain a refund of any such Imposition which has been paid (by Lessee, or by Lessor and for which Lessor has been reimbursed by Lessee), Lessor shall promptly pay such refund to Lessee.

Lessee will cause all billings of such charges to Lessor to be made to Lessor in care of Lessee and will, in preparing any report or return required by law, show the ownership of the Equipment in Lessor, and shall send a copy of any such report or return to Lessor.

If Lessee fails to pay any such charges when due, except any Imposition being contested in good faith and by appropriate proceedings as above provided (but subject to the first paragraph of this Section 10(b) and the last paragraph of Section 11 hereof), Lessor at its option may do so, in which event the amount so paid (including any penalty or interest incurred as a result of Lessee's failure), plus interest thereon at the Late Charge Rate, shall be paid by Lessee to Lessor with the next periodic payment of rent.

11. INTENT; TITLE. It is the express intent of the parties that this agreement constitute a true lease and in no event shall this agreement be construed as a sale of the Equipment. Title to the Equipment shall at all times remain in Lessor, and Lessee shall acquire no ownership, title, property, right, equity, or interest in the Equipment other than its leasehold interest solely as Lessee subject to all the terms and conditions hereof.

Notwithstanding the express intent of the parties, should a court of competent jurisdiction determine that this agreement is not a true lease, but rather one intended as security, then solely in that event and for the expressly limited purposes thereof, Lessee shall be deemed to have hereby granted Lessor a security interest in this Lease, the Equipment, and all accessions thereto, substitutions and replacements therefor, and proceeds (including insurance proceeds) thereof (but without the power of Lessee to dispose of the Equipment); to secure the prompt payment and performance as and when due of all obligations and indebtedness of Lessee (or any affiliate of Lessee) to Lessor, now existing or hereafter created. Lessee shall obtain and deliver to Lessor (to be recorded at Lessee's expense), from each person having an encumbrance or lien on or interest in the property where the Equipment is to be located, waivers of any lien, encumbrance or interest which such person might have or hereafter obtain or claim with respect to the Equipment. Lessee agrees to maintain the Equipment free from all claims, liens and legal processes of creditors of Lessee other than liens (a) for fees, taxes, levies,

duties or other governmental charges of any kind, liens of mechanics, materialmen, laborers, employees or suppliers and similar liens arising by operation of law incurred by Lessee in the ordinary course of business for sums that are not yet delinquent or are being contested in good faith by negotiations or by appropriate proceedings which suspend the collection thereof (provided, however, that such proceedings do not involve any substantial danger of the sale, forfeiture or loss of the Equipment or any interest therein); and (b) liens arising out of any judgments or awards against Lessee which have been adequately bonded to protect Lessor's interests or with respect to which a stay of execution has been obtained pending an appeal or a proceeding for review. Lessee will defend, at its own expense, Lessor's title to the Equipment from such claims, liens or legal processes. Lessee shall also notify Lessor immediately upon receipt of notice of any lien, attachment or judicial proceeding affecting the Equipment in whole or in part. Except to the extent expressly provided for herein, Lessee shall not create, incur, assume or suffer to exist any mortgage, lien, pledge or other encumbrance or attachment of any kind whatsoever upon, affecting or with respect to this Lease or any of Lessor's interests hereunder.

12. INSURANCE. Lessee shall keep the Equipment insured against loss or damage due to fire and the risks normally included in extended coverage, malicious mischief and vandalism, for not less than the greater of the full replacement value or the Stipulated Loss Value (as defined in Section 13 hereof); and Lessee shall also carry public liability insurance, both personal injury and property damage, covering the Equipment, with a combined single limit of not less than One Hundred Million Dollars (\$100,000,000.00) per occurrence. All said insurance shall be in form and amount and with companies reasonably satisfactory to Lessor. All insurance for loss or damage shall provide that losses shall be payable to Lessor and Lessee, as their interests may appear, and Lessee shall utilize its best efforts to have all checks relating to any such losses delivered promptly to Lessor. Lessor shall be named as an additional insured with respect to all such liability insurance. Lessee shall pay the premiums therefor and deliver to Lessor evidence satisfactory to Lessor of such insurance coverage. Lessee shall cause to be provided to Lessor, not less than fifteen (15) days prior to the scheduled expiration or lapse of such insurance coverage, evidence satisfactory to Lessor of renewal or replacement coverage. Each insurer shall agree, by endorsement upon the policy or by independent instrument furnished to Lessor, that (a) it will give Lessor thirty (30) days' prior written notice of the effective date of any material alteration or cancellation of such policy; and (b) insurance as to the interest of any named additional insured or loss payee other than Lessee shall not be invalidated by any actions, inactions, breach of warranty or conditions or negligence of Lessee with

respect to such policy or policies. The proceeds of such insurance payable as a result of loss of or damage to the Equipment shall be applied as required by the provisions of Section 13 hereof.

13. LOSS AND DAMAGE. Lessee assumes the entire risk of direct and consequential loss and damage to the Equipment from all causes. Except as provided in this Section for discharge upon payment of Stipulated Loss Value, no loss or damage to the Equipment or any part thereof shall release or impair any obligations of Lessee under this Lease, which shall continue in full force and effect and shall be absolute during the term hereof. Lessee agrees that Lessor shall not incur any liability to Lessee for any loss of business, loss of profits, expenses, or any other damages resulting to Lessee by reason of any failure of or delay in delivery or any delay caused by any non-performance, defective performance, or breakdown of the Equipment, nor shall Lessor at any time be responsible for personal injury or the loss or destruction of any other property resulting from the Equipment. In the event of loss or damage to any item of the Equipment which does not constitute a Total Loss (as hereinafter defined), Lessee shall, at its sole cost and expense, promptly repair and restore such item of the Equipment to the condition required by this Lease. Provided that Lessee is not then in Default, upon receipt of evidence reasonably satisfactory to Lessor of completion of such repairs, Lessor will apply any insurance proceeds received by Lessor on account of such loss or damage to the cost of such repairs.

Upon the occurrence of: (a) the actual or constructive total loss of any item of the Equipment; or (b) the loss, theft or destruction of any item of the Equipment or damage to any item of the Equipment to such extent as shall make repair thereof uneconomical or shall render any item of the Equipment permanently unfit for normal use for any reason whatsoever; or (c) the condemnation, confiscation, requisition, seizure, forfeiture or other taking of title to or use of any item of the Equipment (as established to the reasonable satisfaction of Lessor; any such occurrence being herein referred to as a "Total Loss") during the term of this Lease, Lessee shall give prompt notice thereof to Lessor. Thereafter, on the next date for the payment of rent, Lessee shall pay to Lessor the rent which would have been due on that date plus the Stipulated Loss Value of the item or items of the Equipment with respect to which the Total Loss has occurred and any other sums due hereunder with respect to that Equipment (less any insurance proceeds or condemnation award actually paid).

Upon making such payment in respect of any item of the Equipment, this Lease and the obligation to make future rental payments shall terminate solely with respect to the Equipment or items thereof so paid for and (to the extent applicable) Lessee thereupon shall become entitled thereto as is where is without warranty, express or implied, with respect to any matter whatsoever. Lessor shall deliver to Lessee a bill of sale

transferring and assigning to Lessee without recourse or warranty, except in respect of Lessor's acts, all of Lessor's title and interest in and to the Equipment. Lessor shall not be required to make and may specifically disclaim any representation or warranty as to the condition of the Equipment or any other matters.

As used herein, "Stipulated Loss Value" shall mean the product of the Total Invoice Cost (as designated on the appropriate Equipment Schedule) of the item or items of Equipment and the applicable percentage factor set forth on the Schedule of Stipulated Loss Values attached to the Equipment Schedule; provided, however, Lessee's right to exercise its renewal option pursuant to Section 15 hereof shall be conditioned upon the parties agreeing, after good faith negotiations, to applicable percentage factor or factors (as the case may be) to be used in calculating the Stipulated Loss Value for the Equipment throughout the proposed Renewal Term.

Stipulated Loss Value shall be determined as of the next date on which a payment of rent is or would be due after a Total Loss or other termination of this Lease, after payment of any rent due on such date, and the applicable percentage factor shall be that which is set forth with respect to such rent payment. After payment of the final payment of rent due under the original term of this Lease and during any continuation hereof, Stipulated Loss Value shall be determined as of the date of termination of this Lease (absent any renewal thereof) or, if during such continuation, on the next date on which a payment of rent is or would be due after a Total Loss or other termination of such continuation, after payment of any rent due on such date, and the applicable percentage factor shall be the last percentage factor set forth on the Schedule of Stipulated Loss Values.

14. REDELIVERY. Upon the expiration or earlier termination of this Lease (or of any renewal hereof, if applicable), Lessee shall (unless Lessee has paid the Stipulated Loss Value with respect thereto pursuant to Section 13 hereof), (i) at its own expense, return the Equipment to Lessor within ten (10) days in the same condition as when delivered to Lessee hereunder, ordinary wear and tear resulting from proper use thereof alone excepted, and in such operating condition as is capable of performing its originally intended use, and free and clear of all liens, encumbrances or rights of others whatsoever except liens or encumbrances resulting from claims against Lessor not relating to the ownership of such Equipment, by delivery of the Equipment to such place as Lessor shall specify within the Continental United States, and (ii) obtain and pay for a policy of transit insurance in an amount equal to the replacement value of the Equipment and Lessor shall be named as the loss payee on the policy. In addition to Lessor's other rights and remedies hereunder, if the Equipment is not returned in a timely fashion (for whatever reason), or if repairs are necessary to place

the Equipment in the condition required in this Section, Lessee shall continue to pay to Lessor rent at the last prevailing lease rate hereunder for the period of delay in redelivery, or for the period of time reasonably necessary to accomplish such repairs together with the cost of such repairs, as applicable. Lessor's acceptance of such rent on account of such delay or repair does not constitute a renewal of the term of this Lease or a waiver of Lessor's right to prompt return of the Equipment in proper condition.

15. OPTION TO RENEW. Provided that Lessee is not then in Default, Lessee shall have the option to renew this Lease, at the expiration of the term of this Lease, with respect to all but not less than all of the Equipment, on the terms and conditions of this Lease, for a negotiated renewal term at a negotiated periodic rent based on the Fair Market Rental Value of such Equipment determined at the time of renewal.

If Lessee desires to exercise this option it shall, at least two hundred forty (240) days before expiration of the term of this Lease, give Lessor written notice of its intention to exercise this option to renew; and shall engage in negotiations with Lessor to determine the periodic rent to be paid during the renewal term. Not less than one hundred eighty (180) days before expiration of the term of this Lease, Lessee shall give Lessor written notice of its election to renew on the terms mutually agreed upon during negotiations.

For purposes of this Section, "Fair Market Rental Value" shall be deemed to be an amount equal to the rental obtainable in an arms' length transaction between a willing and informed lessor and a willing and informed lessee under no compulsion to lease (and assuming that, as of the date of determination, the Equipment is in at least the condition required by Section 14 of this Lease). If the parties are unable to agree on the Fair Market Rental Value of the Equipment, then Lessor and Lessee shall at Lessee's expense obtain appraisal values from three independent appraisers (one to be selected by Lessor, one by Lessee, and the other by the two selected by Lessor and Lessee; each of whom must be associated with a professional organization of equipment or personal property appraisers, such as the American Society of Appraisers) and the average Fair Market Rental Value as determined by such appraisers (pursuant to an on-site physical inspection of the Equipment) shall be binding on the parties hereto.

16. OPTION TO PURCHASE. (a) End of Term Option. Provided that Lessee is not then in Default, Lessee shall have the option to purchase, upon the expiration of the term of this Lease, or of any subsequent renewal term, if applicable, all but not less than

all of the Equipment subject to this Lease upon the following terms and conditions:

If Lessee desires to exercise this option it shall, at least two hundred forty (240) days before expiration of the term of this Lease, give Lessor written notice of its intention to exercise this option to purchase and shall engage in negotiations with Lessor to determine the Purchase Price for the Equipment. Not less than one hundred eighty (180) days before expiration of the term of this Lease, Lessee shall give Lessor written notice of its election to purchase on the terms mutually agreed upon during negotiations. Thereupon, at the expiration of the term of this Lease, Lessee shall pay to Lessor in cash the Purchase Price for the Equipment so purchased.

The Purchase Price of the Equipment shall be an amount equal to its then Fair Market Value (but in no event greater than 40.26% of the Total Invoice Cost of the Equipment, as specified on the Equipment Schedule), together with all taxes and charges upon sale. For purposes of this Section, "Fair Market Value" shall be deemed to be an amount equal to the sale price obtainable in an arms' length transaction between a willing and informed buyer and a willing and informed seller under no compulsion to sell (and assuming that, as of the date of determination, the Equipment is in at least the condition required by Section 14 of this Lease). If the parties are unable to agree on the Fair Market Value of the Equipment, then Lessor and Lessee shall at Lessee's expense obtain appraisal values from three independent appraisers (one to be selected by Lessor, one by Lessee, and the other by the two selected by Lessor and Lessee; each of whom must be associated with a professional organization of equipment or personal property appraisers, such as the American Society of Appraisers) and the average Fair Market Value as determined by such appraisers (pursuant to an on-site physical inspection of the Equipment) shall be binding on the parties hereto.

(b) Early Purchase Option. Notwithstanding anything to the contrary herein, Lessee shall, at its option, upon not less than one hundred twenty (120) days' prior written notice to Lessor, purchase all but not less than all of the Equipment on the date of payment of the twentieth (20th) installment of rent, provided that the rent due on such date and any other sums due hereunder with respect to such Equipment are paid and no Defaults shall have occurred and be continuing. Lessor will use its reasonable efforts to give Lessee at least sixty (60) days prior written notice that the notice referenced in the next preceding sentence is due. In addition to the amounts referenced in the first sentence hereof, Lessee shall pay to Lessor, in cash or in other immediately available funds, an amount equal to sixty-five (65%) percent of the Total Invoice Cost (as specified on the Equipment Schedule), plus all sales taxes and any other costs incurred or paid by Lessor in connection with Lessee's exercise of this option. Lessee hereby

represents to Lessor that it is reasonable to expect that the Equipment will have a residual fair market value on the referenced purchase date of sixty-five (65%) percent of the Total Invoice Cost of the Equipment, as determined without regard to inflation or deflation.

Notwithstanding any election of Lessee to purchase, the provisions of this Lease shall continue in full force and effect until the passage of ownership of the Equipment upon the date of purchase. On the date of purchase, Lessor shall deliver to Lessee a bill of sale transferring and assigning to Lessee without recourse or warranty, except in respect of Lessor's acts, all of Lessor's right, title and interest in and to the Equipment. Lessor shall not be required to make and may specifically disclaim any representation or warranty as to the condition of the Equipment or any other matters.

17. INDEMNITY.

(a) General. Lessee assumes and agrees to indemnify, defend, and keep harmless Lessor, its agents and employees, from and against any and all losses, damages, injuries, claims, demands and out-of-pocket expenses, including legal expenses (other than such losses, claims and expenses as may directly and proximately result from the gross negligence or wilful misconduct of Lessor, its agents or employees), arising on account of the ordering, acquisition, delivery, installation or rejection of the Equipment, the possession, maintenance, use, condition (including without limitation, latent and other defects and whether or not discoverable by Lessor or Lessee, any claim in tort for strict liability, and any claim for patent, trademark or copyright infringement) or operation of any item of the Equipment, and by whomsoever used or operated, during the term of this Lease with respect to that item of the Equipment, the loss, damage, destruction, removal, return, surrender, sale or other disposition of the Equipment, or any item thereof. Lessor shall give Lessee prompt notice of any claim or liability hereby indemnified against and that Lessee shall be entitled to control the defense thereof, so long as Lessee is not in Default hereunder; provided, however, that Lessor shall have the right to approve defense counsel selected by Lessee.

(b) Tax. (1) Lessee represents and warrants that (x) it believes that it is reasonable to estimate that the useful life of the Equipment exceeds the lease term provided herein and in the Equipment Schedule by the greater of one (1) year or twenty (20) percent of such estimated useful life, and that said Equipment will have a value at the end of the original lease term provided herein and in the Equipment Schedule of at least twenty (20) percent of the Total Invoice Cost (as specified on the Equipment Schedule) of the Equipment, without including in such value any increase or decrease for inflation or deflation during the original lease term

(all as evidenced by the certificate of a qualified party to be provided at Lessee's expense to Lessor prior to the commencement of the lease term); and (y) the Equipment is, and will be used by Lessee so as to remain, property eligible for depreciation deductions in the hands of Lessor under Section 167 of the Internal Revenue Code of 1986, as now or hereafter amended (the "Code"), determined in accordance with the provisions of Section 168 of the Code, during the term of this Lease with respect thereto, and is assigned to the class of property specified in the Equipment Schedule pertaining thereto.

(2) If Lessor in computing its taxable income or liability for tax, is required to allocate or apportion items of gross income, expenses, losses or deductions relating to this Lease to sources without the United States; or shall either lose, or shall not have, or shall lose the right to claim, or there shall be disallowed or recaptured, for Federal and/or state income tax purposes, in whole or in part, the benefit of ACRS Deductions; or (y) Lessor shall become liable for additional tax as a result of Lessee having added an attachment or made an alteration to the Equipment which would increase the productivity or capability of the Equipment so as to violate the provisions of Rev. Proc. 75-21, 1975-1 C.B. 715, or Rev. Proc. 79-48, 1979-2 C.B. 529 (as either or both may hereafter be modified or superseded); or (z) the statutory full-year marginal Federal tax rate (including any surcharge) for corporations with a December 31 tax year-end is greater than thirty-four (34) percent; hereinafter referred to as a "Loss"; then Lessee shall pay Lessor the Tax Indemnification Payment as additional rent and Lessor may revise the Schedule of Stipulated Loss Values to reflect the Loss. As used herein, "ACRS Deductions" shall mean the deductions under Section 167 of the Code determined in accordance with the modified Accelerated Cost Recovery System with respect to the Total Invoice Cost of any item of the Equipment in accordance with the accelerated method set forth in Section 168 of the Code as in effect on the date of this Lease for property assigned to the class of property specified in the Equipment Schedule pertaining thereto; and "Tax Indemnification Payment" shall mean such amount as, after consideration of (i) all taxes required to be paid by Lessor in respect of the receipt thereof under the laws of any governmental or taxing authority in the United States, and (ii) the amount of any interest or penalty which may be payable by Lessor in connection with the Loss, shall be required to cause Lessor's after-tax net return (the "Net Return") to be equal to, but no greater than, the Net Return contemplated consistently with current tax laws as of the date of this Lease that would have been available to Lessor had the Loss not occurred.

(3) Lessor shall be responsible for, and shall not be entitled to a Tax Indemnification Payment by Lessee on account of, any Loss arising solely as a direct result of the occurrence of any one or more of the following events: (i) the

failure of Lessor to timely and properly claim ACRS Deductions in the tax return of Lessor other than as a result of changes in the Code or applicable regulations unless in the reasonable opinion of Lessor's tax counsel there is no basis for such claim; or (ii) the failure of Lessor to have sufficient taxable income before application of the ACRS Deductions to offset the full amount of such ACRS Deductions other than as a result of changes in the Code or applicable regulations; or (iii) any event which by the terms of this Lease requires payment by Lessee of the Stipulated Loss Value if such payment is thereafter actually made by Lessee to Lessor, to the extent that such payment reimburses Lessor for amounts otherwise payable by Lessee pursuant to this sub-part (b); or (iv) a disqualifying disposition due to sale of any item of the Equipment or this Lease by Lessor prior to a Default.

(4) Lessor promptly shall notify Lessee in writing of such Loss and Lessee shall pay to Lessor the Tax Indemnification Payment within thirty (30) days of such notice. For these purposes, a Loss shall occur upon the earliest of (i) the happening of any event (such as disposition or change in use of any item of the Equipment) which will cause such Loss; (ii) the payment by Lessor to the Internal Revenue Service or State taxing authority of the tax increase resulting from such Loss; or (iii) the date on which the Loss is realized by Lessor; or (iv) the adjustment of the tax return of Lessor to reflect such Loss.

(c) As used in this Section and in Section 10 hereof, the term "Lessor" shall mean and include Lessor and the consolidated Federal taxpayer group of which Lessor is a member.

18. DEFAULT; REMEDIES. (a) Lessee shall be deemed to be in default hereunder ("Default") if (1) Lessee shall fail to make any payment of rent or any other payment hereunder within ten (10) days after the same shall have become due; or (2) Lessee shall fail to obtain and maintain the insurance required herein; or (3) Lessee shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder and such failure shall continue unremedied for a period of thirty (30) days after the earliest to occur of (i) a responsible officer of Lessee having actual knowledge thereof, or (ii) the giving of written notice thereof to Lessee by Lessor (provided, however, that if such failure (A) is capable of being remedied without Lessor suffering any harm as a result of the occurrence or continuance thereof, but cannot be remedied within such thirty (30) day period, (B) Lessee commences reasonable efforts to effect such remedy within the thirty (30) day period, and diligently pursues such efforts, and (C) does not involve any substantial danger of the sale, forfeiture or loss of the Equipment or any interest therein, then Lessee shall have an additional period of sixty (60) days to effect such remedy); or (4) Lessee shall (A) be generally not paying its debts as they become due, or (B) take action for the purpose of invoking the protection of any bankruptcy or insolvency law, or any such law

is invoked against or with respect to Lessee or its property and such petition filed against Lessee is not dismissed within sixty (60) days; or (5) Lessee shall make or permit any unauthorized assignment or transfer of this Lease, the Equipment or any interest therein; or (6) there shall occur a default under any guaranty executed in connection herewith; or (7) any certificate, statement, representation, warranty or audit contained herein or heretofore or hereafter furnished with respect hereto by or on behalf of Lessee proving to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or having omitted any substantial contingent or unliquidated liability or claims against Lessee; or (8) Lessee shall be in default under any material obligation and the applicable grace period with respect thereto shall have expired; or (9) Lessee shall have terminated its corporate existence, consolidated with, merged into, or conveyed or leased substantially all of its assets as an entirety to (such action as being referred to as an "Event"), any person, unless not less than sixty (60) days prior to such Event: (x) such person is organized and existing under the laws of the United States or any state, and executes and delivers to Lessor an agreement containing an effective assumption by such person of the due and punctual performance of this Lease; and (y) Lessor is reasonably satisfied as to the creditworthiness of such person; or (10) effective control of Lessee's voting capital stock, issued and outstanding from time to time, is not retained by the present stockholders (unless Lessee shall have provided sixty (60) days' prior written notice to Lessor of the proposed disposition of stock and Lessor shall have consented thereto in writing); or (11) a court of competent jurisdiction issues an injunction that prohibits operation of the ski train and continuance of such injunctions for a period of 90 days without being stayed or lifted.

(b) Upon a Default hereunder, Lessor may, at its option, declare this Lease to be in default by written notice to Lessee, (without election of remedies), and at any time thereafter, may do any one or more of the following, all of which are hereby authorized by Lessee:

(1)(A) declare the then Stipulated Loss Value of the Equipment (determined as of the next date on which a payment is or would have been due after the declaration of a Default), together with all other sums due hereunder as of such next payment date with respect to such Equipment, immediately due and payable with respect to any or all of the Equipment (the parties also deem that such amount best reflects the damages Lessor would sustain in the event of Lessee's bankruptcy or insolvency and this Lease were not assumed); or (B) sue for and recover all rent and other payments hereunder, then accrued or thereafter accruing (provided that all rentals becoming due after the declaration of Default shall be discounted to present value as of the date of payment by Lessee at a rate equal to the discount rate of the Federal Reserve Bank of Richmond in effect on such date plus one (1) percent (the "Discount Rate")), with respect to any or all of the Equipment; and/or

(2) (A) require Lessee to assemble any or all of the Equipment at the location to which the Equipment was delivered or the location to which such Equipment may have been moved by Lessee or such other location in reasonable proximity to either of the foregoing as Lessor shall designate; or to return promptly, at Lessee's expense, any or all of the Equipment to Lessor at the location, in the condition and otherwise in accordance with all of the terms of Section 14 hereof; and/or (B) take possession of, and render unusable by Lessee, any or all of the Equipment, wherever it may be located, without any court order or other process of law and without liability for any damages occasioned by such taking of possession (any such taking of possession shall constitute an automatic termination of this Lease as it applies to those items taken without further notice, and such taking of possession shall not prohibit Lessor from exercising its other remedies hereunder); and/or

(3) (A) sell or otherwise dispose of any or all of the Equipment, whether or not in Lessor's possession, in a commercially reasonable manner at public or private sale with notice to Lessee (the parties agreeing that ten (10) days' prior written notice shall constitute adequate notice of such sale), with the right of Lessor to purchase and apply the net proceeds of such disposition, after deducting all costs of such disposition (including but not limited to costs of transportation, possession, storage, refurbishing, advertising and brokers' fees), to the obligations of Lessee hereunder with Lessee remaining liable for any deficiency and with any excess being retained by Lessor; or (B) retain any Equipment the possession of which is recovered by Lessor and credit the fair market value thereof to the obligations of Lessee hereunder with Lessee remaining liable for any deficiency and with Lessor having no obligation to reimburse Lessee on account of any excess of such fair market value over such obligations; and/or

(4) cancel this Lease as to any or all of the Equipment; and/or

(5) proceed by appropriate court action, either at law or in equity, to enforce performance by Lessee or to recover damages for the breach hereof; or exercise any other right or remedy available to Lessor at law or in equity.

Unless otherwise provided above, a cancellation hereunder shall occur only upon written notice by Lessor to Lessee and only with respect to such items of the Equipment as Lessor specifically elects to terminate in such notice. Except as to such items of the Equipment with respect to which there is a cancellation, this Lease shall remain in full force and effect and Lessee shall be and remain liable for the full performance of all its obligations hereunder.

In furtherance of paragraph (2) (A), in the event Lessor so requests, Lessee agrees that it shall, at its own costs, expense

and risk: (i) forthwith place such Equipment upon such storage locations as directed by Lessor; (ii) permit Lessor to store such Equipment at such location without charge for insurance, rent or storage until such Equipment has been sold, leased or otherwise disposed of by Lessor, and during such period of storage by Lessee shall continue to maintain all insurance required by Section 12 hereof (nothing in this clause (ii) is intended to relieve Lessor of its obligation to exercise its remedies in a commercially reasonable manner); and (iii) transport such Equipment to any railroad interchange point on the lines of a railroad affiliated with Lessee in the Continental United States as Lessor may direct. In all cases the Equipment shall be in the condition required by Section 14 hereof. In the event Lessor recovers possession of the Equipment, exercises either of the remedies specified in paragraph (1)(A) or (B) above, and is not then stayed or enjoined by applicable law, and subject to all such other circumstances that may then exist, Lessor agrees that it shall, at its sole option, either use its reasonable efforts to dispose of all, or a part of, the Equipment in a commercially reasonable manner, as detailed in paragraph (3)(A) above, or retain all or part of the Equipment as contemplated in paragraph (3)(B) above; provided, however, such agreement shall not subject Lessor to the application of any law, statute, rule or regulation, the effect of which would result in a determination that Lessor by its action or failure to act had thereby elected a remedy or remedies, and waived its right to seek other remedies available to it hereunder or at law or in equity.

In addition, Lessee shall be liable for all reasonable legal fees (of outside counsel) and other expenses incurred by reason of any Default or the exercise of Lessor's remedies, including all costs and expenses incurred in connection with the return of any Equipment in accordance with the terms of Section 14 hereof or in placing such Equipment in the condition required by said Section. Unless the content expressly requires otherwise, no right or remedy referred to in this Section is intended to be exclusive, but each shall be cumulative, and shall be in addition to any other remedy referred to above or otherwise available at law or in equity, and may be exercised concurrently or separately from time to time.

The failure of Lessor to exercise the rights granted hereunder upon any Default by Lessee shall not constitute a waiver of any such right upon the continuation or reoccurrence of any such Default. In no event shall the execution of an Equipment Schedule constitute a waiver by Lessor of any pre-existing Default in the performance of the terms and conditions hereof.

(c) Solely for the purpose of this Section 18, each Equipment Schedule executed pursuant to this Lease shall constitute a separate instrument of Lease; provided, however, that the occurrence of a Default with respect to any Equipment Schedule shall, at the sole discretion of Lessor (as set forth in a written declaration of Lessee) constitute a Default with respect to each Equipment Schedule. Notwithstanding anything to the contrary set forth herein, Lessor may exercise all rights and remedies hereunder independently with respect to each Equipment Schedule.

19. ASSIGNMENT BY LESSOR AND LESSEE. (a) WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR (WHICH SHALL NOT UNREASONABLY BE WITHHELD), LESSEE WILL NOT ASSIGN ANY OF ITS RIGHTS HEREUNDER, SUBLET THE EQUIPMENT OR OTHERWISE PERMIT THE EQUIPMENT TO BE OPERATED OR USED BY, OR TO COME INTO OR REMAIN IN THE POSSESSION OF, ANYONE BUT LESSEE. No assignment or sublease, whether authorized in this Section or in violation of the terms hereof, shall relieve Lessee of its obligations hereunder and Lessee shall remain primarily liable hereunder. In the event that this Lease is assigned by Lessee or its trustee in bankruptcy during the course of a pending bankruptcy of Lessee without Lessor's consent, Lessee agrees on behalf of itself and its trustee that any proceeds, profits or rentals received as a result of such assignment shall be immediately paid over to Lessor as additional security for adequate assurance of future performance by the assignee of Lessee or its trustee in bankruptcy. (b) LESSOR SHALL NOT AT ANY TIME ASSIGN ANY OR ALL OF ITS RIGHTS, OBLIGATIONS, TITLE AND INTEREST HEREUNDER, TO ANY OTHER PERSON WITHOUT THE PRIOR WRITTEN CONSENT OF LESSEE, WHICH CONSENT WILL NOT BE UNREASONABLY WITHHELD, EXCEPT THAT LESSOR MAY ASSIGN TO ANY SUBSIDIARY OR AFFILIATE OF LESSOR WITHOUT SUCH CONSENT SO LONG AS LESSOR PROVIDES PRIOR WRITTEN NOTICE OF SUCH ASSIGNMENT TO LESSEE. If Lessee is given notice of any such assignment, Lessee shall acknowledge receipt thereof in writing. In the event Lessor retains the obligations of the lessor hereunder in any such assignment, Lessor's assignee shall not be obligated to perform any duty, covenant or condition required to be performed by the lessor under the terms of this Lease (other than the covenant of quiet enjoyment specified in Section 20 hereof); and no breach or default by Lessor hereunder or pursuant to any other agreement between Lessor and Lessee, should there be one, shall excuse performance by Lessee of any provision hereof; it being understood that in the event of a default or breach by Lessor that Lessee shall pursue any rights on account thereof solely against Lessor.

Notwithstanding the foregoing, so long as no Default, nor any event which with the giving of notice or the lapse of time, or both, would become a Default, Lessee may, upon not less than thirty (30) days prior written notice to the Lessor, sublease all or any of the Equipment to any party; provided, that (i) no such sublease shall be for a term extending beyond the then current Term of this Lease, (ii) any such sublease, and the rights of the sublessee in and to such Equipment, shall be made expressly junior and subordinate by its terms to this Lease (including all of the terms and provisions hereof) and the right to the Lessor hereunder, (iii) without limiting the foregoing clause (ii), any such sublease shall include appropriate provisions (whether by requiring such obligations to be performed by the sublessee, the Lessee, or both) for the operation, maintenance and insurance in accordance with the terms hereof of the Equipment subleased thereby, and (iv) any subleases of the Equipment shall include appropriate provisions for the avoidance thereof by the Lessor if a default shall occur under such sublease, or a Default shall occur under this Lease, or

otherwise if such sublease would result in the Lessor suffering any adverse tax consequences or bearing any extraordinary risk, or subjecting the Equipment to any unreasonable risk of loss, seizure or lien. Any such notice from the Lessee shall identify the sublessee, the term of the sublease and the principal location at which the Equipment is to be used under the sublease. Throughout the term of any sublease, all of the terms and provisions of this Lease shall continue to be applicable thereto and no such sublease shall relieve the Lessee of any of its liabilities or obligations hereunder which shall be and remains those of a principal and not a surety. Any sublease which is not in compliance with the provisions of this Section 19 shall be void ab initio. As security for the Lessee's obligations under this Lease, the Lessee hereby pledges, assigns and grants to Lessor a first priority perfected security interest in all such subleases, and all of Lessee's right, title and interest thereunder, including, but not limited to, the right to exercise any and all rights and remedies of the Lessee thereunder, including the right to collect, demand, sue for, receive, and retain all rentals and other proceeds thereof; provided, however, that Lessor shall not exercise any of the rights or remedies assigned to it in this sentence, unless and until a Default, or an event which with the giving of notice or the lapse of time or both, would constitute a Default, shall have occurred. In furtherance thereof, Lessee agrees that it will not otherwise assign, pledge, grant or transfer such subleases or any of Lessee's right, title or interest therein, to any party other than the Lessor, so long as there are any obligations outstanding hereunder, and that as so demanded by Lessor, Lessee shall promptly turn over to Lessor the only original counterpart of any and all such subleases.

Subject always to the foregoing, this Lease inures to the benefit of, and is binding upon, the successors and assigns of the parties hereto.

20. QUIET POSSESSION. Lessor represents and covenants to Lessee that Lessor has full authority to enter into this Lease, and that, conditioned upon Lessee performing all of the covenants and conditions hereof, as to claims of Lessor or persons claiming under Lessor, Lessee shall peaceably and quietly hold, possess and use the Equipment during the term of this Lease subject to the terms and provisions hereof.

21. LESSOR'S RIGHT TO PERFORM FOR LESSEE. If Lessee fails to perform or comply with any of its obligations hereunder, Lessor shall have the right, but shall not be obligated, to effect such performance, and the amount of any out of pocket expenses and other reasonable expenses of Lessor incurred in connection with such performance, together with interest thereon at the Late Charge Rate, shall be payable by Lessee upon demand.

So long as a Default has occurred and is continuing, Lessee hereby irrevocably appoints Lessor as Lessee's attorney-in-fact (which power shall be deemed coupled with an interest) to execute, endorse and deliver any documents and checks or drafts relating to

or received in payment for any loss or damage under the policies of insurance required by the provisions of Section 12 hereof, but only to the extent that the same relates to the Equipment.

22. NOTICE. All notices (excluding billings and communications in the ordinary course of business) hereunder shall be in writing, sent by certified mail, return receipt requested, or shall be personally delivered, addressed to the other party at its respective address stated below the signature of such party or at such other address as such party shall from time to time designate in writing to the other party; and shall be effective from the date of mailing immediately when personally delivered and three days after the date of mailing when mailed.

23. MISCELLANEOUS. This Lease, the Equipment Schedule and any final commitment letter between the parties, constitute the entire agreement between the parties with respect to the subject matter hereof and shall not be amended or altered in any manner except by a document in writing executed by both parties.

Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

The representations, warranties and covenants of Lessee herein shall be deemed to be continuing and to survive the closing hereunder; provided, however, the representations made in paragraph (e) and (f) of Section 3 shall only be deemed to be made as of the date hereof and the date of each Equipment Schedule entered into pursuant hereto. Each execution by Lessee of an Equipment Schedule shall be deemed a reaffirmation and warranty that there shall have been no material adverse change in the business or financial condition of Lessee from the date of execution hereof. The obligations of Lessee under Sections 10, 14 and 17, which accrue during the term of this Lease, shall survive the termination of this Lease.

The captions in this Lease are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

24. MARYLAND LAW GOVERNS. THIS LEASE SHALL NOT BE EFFECTIVE UNLESS AND UNTIL ACCEPTED BY EXECUTION BY AN OFFICER OF LESSOR AT THE ADDRESS, IN THE STATE OF MARYLAND, AS SET FORTH BELOW THE SIGNATURE OF LESSOR. This Lease and the rights and obligations of the parties hereunder shall in all respects be governed by, and construed in accordance with, the laws of the State of Maryland, including all matters of construction, validity and performance, regardless of the location of the Equipment. The parties agree that any action or proceeding arising out of or relating to this Lease may be commenced in any state or Federal court of competent

jurisdiction in the State of Maryland and each party agrees that a summons and complaint commencing an action or proceeding in any such court shall be properly served and shall confer personal jurisdiction if served personally or by certified mail to it at its address designated pursuant hereto, or as otherwise provided under the laws of the State of Maryland.

25. SECURITY DEPOSIT. Lessee shall have paid to Lessor, either before or concurrently with the execution of each Equipment Schedule, a security deposit in the amount of twenty (20) percent of the Total Invoice Cost of the Equipment specified on the Equipment Schedule. This security deposit shall be held by Lessor during the term and any renewal term, if applicable, of this Lease and applied, as required, to satisfy any obligations of Lessee hereunder not otherwise timely satisfied by Lessee. In furtherance thereof, Lessee hereby grants to Lessor a security interest in the cash comprising the security deposit from time to time, together with the proceeds thereof, to secure the prompt payment as and when due of all indebtedness, and the prompt performance as and when due of all obligations of Lessee now or hereafter required hereunder. Nothing herein shall obligate Lessor to invest any of the amounts constituting the security deposit, nor shall Lessor be accountable to Lessee or any other person for any interest or other return on the amounts so held.

If Lessee is not then in Default, upon the expiration or earlier termination of the term or any renewal term, if applicable (whichever is later), of this Lease, the balance of such security deposit, to the extent such amount is then held by Lessor shall promptly be paid to Lessee and the security interest granted herein shall terminate.

26. COUNTERPARTS/CHattel PAPER. This Lease, and any Equipment Schedule, amendment or supplement hereto or thereto, shall be deemed delivered in Maryland and may be executed in any number of counterparts, each executed counterpart constituting an original, and in each case, such counterparts shall together constitute but one and the same instrument. To the extent that this Lease and/or the Equipment Schedule would constitute chattel paper, as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction, no security interest herein or therein may be created through the transfer or possession of this Lease in and of itself without the transfer or possession of the original of an Equipment Schedule executed pursuant to this Lease and incorporating the Lease by reference; and no security interest in this Lease and an Equipment Schedule may be created by the transfer or possession of any counterpart of the Equipment Schedule other than the original thereof, which shall be identified as the document marked "Original" and all other counterparts shall be marked "Duplicate".

To and part of Equipment Lease Agreement dated as of December 28, 1989 (the "Lease"), between MNC LEASING, a division of MNC CREDIT CORP, ("Lessor") and ANSCO INVESTMENT COMPANY ("Lessee").

ADDITIONAL RETURN PROVISIONS: In addition to the provisions of Section 14 of this Lease, and provided that Lessee has not elected to exercise its option to purchase the Equipment or its option to renew the Lease, the Lessee shall, at its own expense:

- a. for the period commencing 180 days prior to Lease termination, make the Equipment available for operational inspections by potential purchasers upon reasonable notice by Lessor;
- b. provide for mechanical inspections by a qualified, independent inspector for the purposes of verifying Lessee's compliance with the return requirements of this Lease;
- c. ensure that all cars that are in service or that may enter into service during the term of this Lease are fully Amtrak compatible and meet all Amtrak standards without further expense;
- d. provide insurance coverage to the extent requested by Lessor (at Lessor's cost) and safe, secure storage for the Equipment for up to one year after the lease termination date at one accessible location in Denver;
- e. upon sale of the cars to a third party, provide transportation to up to three individual locations anywhere in the continental United States;
- f. upon reasonable notice of Lessor, provide (1) access to potential purchaser of the units, and (2) power requirements necessary to demonstrate electrical, mechanical and plumbing systems in each car;
- g. ensure that all inspections, upgrades and necessary repairs currently due or due within one year are completed;
- h. ensure that the cars are in compliance with all applicable state, local and federal laws and safety guidelines;
- i. properly remove all Lessee installed markings, to the extent requested by Lessor;
- j. provide to Lessor a complete and detailed interior component list for each individual car; and
- k. be responsible for the cost of all repairs and alterations to the extent necessary to cause the Equipment to be in compliance with the provisions of the Lease.

MNC LEASING
A DIVISION OF MNC CREDIT CORP
Lessor

By: *Louis J. Vigliotti* (SEAL)
Louis J. Vigliotti
Vice President

ANSCO INVESTMENT COMPANY
Lessee

By: *Garth Min* (SEAL)

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be duly executed under seal as of the day and year first above set forth.

MNC LEASING CORPORATION
Lessor

ANSCO INVESTMENT COMPANY
Lessee

By: _____ (SEAL)

502 Washington Avenue
Towson, Maryland 21204

By: Craig V. Meri (SEAL)

2400 Anaconda Tower
555 Seventeenth Street
Denver, Colorado 80202

STATE OF MARYLAND)
) ss.
COUNTY OF BALTIMORE)

On this _____ day of December, 1989, before me personally appeared _____, to me personally known, who being duly sworn, says that he is a _____ of MNC LEASING, A DIVISION OF MNC CREDIT CORP, that said instrument was signed on December _____, 1989 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[NOTARIAL SEAL]

My Commission Expires:

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

On this 20th day of December, 1989, before me personally appeared CRAIG P. MEIS, to me personally known, who being duly sworn, says that he is a VICE PRESIDENT of ANSCO INVESTMENT COMPANY, that said instrument was signed on December 20th, 1989 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

William H. Karger
Notary Public

[NOTARIAL SEAL]

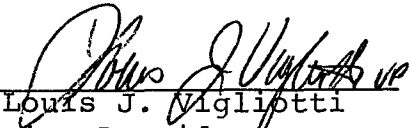
My Commission Expires:
June 22, 1992

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be duly executed under seal as of the day and year first above set forth.

MNC LEASING, A DIVISION
OF MNC CREDIT CORP

ANSCO INVESTMENT COMPANY

By:

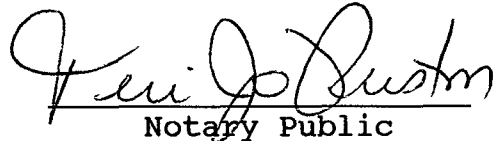

Louis J. Vigliotti
Vice President
502 Washington Avenue
Towson, Maryland 21204

By: _____

2400 Anaconda Tower
555 Seventeenth Street
Denver, Colorado 80202

STATE OF MARYLAND)
)ss.
COUNTY OF BALTIMORE)

On this 27th day of December, 1989, before me personally appeared Louis J. Vigliotti, to me personally known, who being duly sworn, says that he is a Vice President of MNC LEASING, A DIVISION OF MNC CREDIT CORP, that said instrument was signed on December 27, 1989 on behalf of said corporation by authority of tis Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

[NOTORIAL SEAL]

My Commission Expires:

7/1/90

STATE OF COLORADO)
)ss.
COUNTY OF _____)

On this _____ day of December, 1989, before me personally appeared _____, to me personally known, who being duly sworn, says that he is a _____ of ANSCO INVESTMENT COMPANY, that said instrument was signed on December _____, 1989 on behalf of said corporation by authority of tis Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[NOTORIAL SEAL]

My Commission Expires:
